

# ***Direct Loan Job Aid - Non GAPS***

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## **Scope**

This Job Aid covers how to perform functional procedures for the Direct Loan program to include Loan Origination, Consolidation, and Servicing.

The Origination and Disbursement function begins with the receipt of the Origination Record. Once the origination record is received for each type of loan the student is eligible for (Subsidized, Unsubsidized, Parent Loans to Undergraduate Student (PLUS), etc.). Once the origination record is received, the following processes occur:

- Process origination record(s)
- Print and mail documents/correspondence
- Process promissory notes
- Perform credit checks (for PLUS Loans)
- Generate disclosure statement
- Process disbursement records
- Request funds (for levels 2 and 3 schools)
- Book the loan and
- Transfer the Loan

The Consolidation function begins with the completion and submission of a Direct Consolidation Loan (DCL) Application/Promissory Note by the borrower. The Loan Consolidation Center (LCC) receives and begins processing the application. The LCC perform the following steps in processing the application:

- Process the DCL Application

- Contact Internal Revenue Service (IRS) for Income Contingent Repayment (ICR)
- Process credit history
- Process verification certificates
- Process promissory note (P-Note)
- Process loan statement
- Satisfy loan
- Process overpayments
- Book consolidated loan and
- Transfer loan

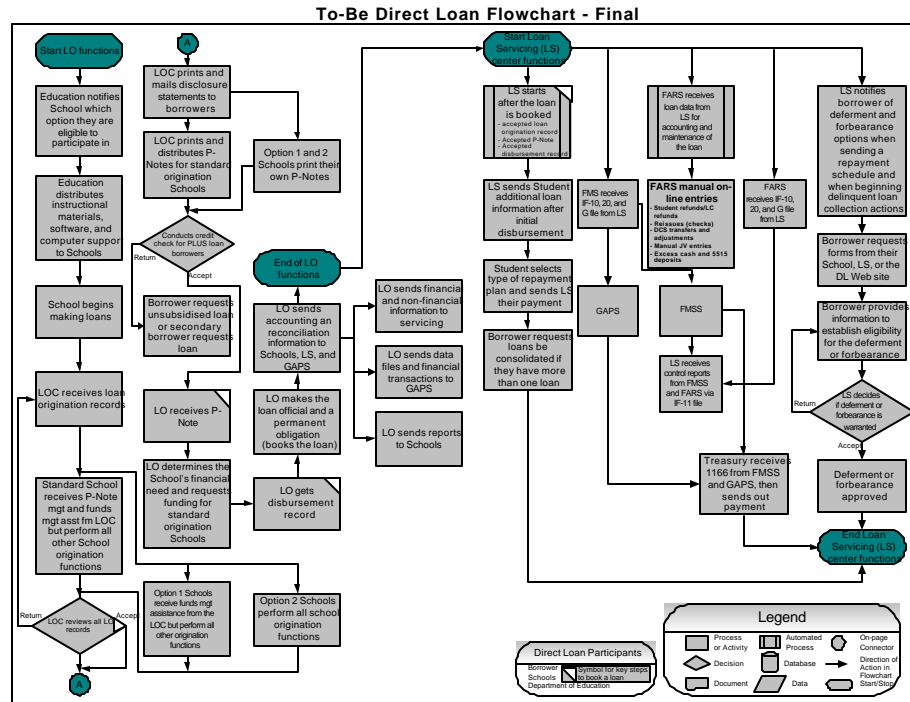
The Servicing function begins with the notification of a loan booking from either Loan Origination or the Loan Consolidation. Upon receipt of a booking notification, the loan is added to a portfolio, loan data is forwarded to FARS for accounting purposes and, maintenance of the loan begins. To support the loan servicing function, the following ongoing processes occur:

- Assess / Establish Loan Status,
- Process debt related correspondence,
- Receive/Accept loan Payments,
- Update/adjust loan balances,
- Determine/Transfer defaulted loans to Debt Collection Service (DCS),
- Receive rehabilitated loans,
- Transfer out Consolidated Loans and

- Transfer data to FARS.

## Direct Loan High Level Flowchart

The following Direct Loan Flowchart depicts the high-level flow of the Direct Loan process:



## Program Reports

The following table lists the Programs and Reports that SFA CFO will use to monitor the Direct Loan FMS processes:

Report Name	Description	Prerequisites	Time
Direct Loan Interface Control Report	This report reflects the processing results of an interface. It is to support system balancing and problem identification.	This report is generated as a result of the Inbound interface of the LO records into the staging area for the Oracle GL and AP modules.	Daily
Direct Loans System Balancing Report	This report reflects the daily import to the AP and GL modules from the open Application Program Interface (API) tables. This report will display the daily total for accepted and rejected LO transactions. This report will be compared to the daily Schedule "A" report generated by LO.	This report is generated on a daily basis.	Daily

<b>Report Name</b>	<b>Description</b>	<b>Prerequisites</b>	<b>Time</b>
FMS Monthly Control Report LO to FMS	This report reflects the processing results of the monthly inbound unbooked loan interfaces. This report is used to support system balancing and problem identification.	This report is generated automatically after the processing of the monthly unbooked loan file from LO.	Monthly
Direct Loan Weekly System Balancing Report for the GAPS file	This report reflects the system balancing between LO and FMS. This would be the result of processing GAPS files from LO to FMS and from GAPS to FMS.	This report is generated as a result of the Inbound interface of the LO (GAPS related) records into the staging area for the Oracle GL and AP modules.	As Needed
Direct Loan Dishonored Payment Listing	This report reflects the summary of daily dishonored payments. The subtotals are by month, quarter, and fiscal year.	This report is generated on a daily basis.	Daily
Direct Loan Daily List of Deposits	The report reflects the summary of daily deposits.	This report is generated on a daily basis.	Daily
Direct Loan SF1166 Support Detail Report	This report contains summary detailed information associated with the SF1166 file for Online/manual payments to Treasury via FMSS.	This report is generated monthly or as needed as result of the SF1166 creation process.	Monthly /As Needed
Federal Direct Student Loan Program	This report displays the FMS equivalent (ACCS) to the EDPAS account codes. The ACCS will be sorted by item number.	This report is generated as needed.	As Needed
Direct Loan SLSS-FMS Crosswalk Report	This report contains LS transaction codes and the FMS equivalent.	This report is generated as needed.	As Needed
Direct Loan Transaction Generator Listing Report	This report contains the FMS direct loans transaction codes and associated debit/credit pairs.	This report is generated as needed.	As Needed
Direct Loan Activity Report	This report contains the loan activity for a given month.	This report is generated daily.	Daily
Direct Loan Booking (Gross Amount) – By Name of Institution Report	This report contains loan booking activity summaries by a posting period. This report can be summarized (for all institutions) or presented in detail (per each institution). A flag is provided to allow for either presentation.	This report is generated monthly.	Monthly
Direct Loan Booking Loan Activity Report	This report contains loan activity summaries by cohort and loan type for a given period.	This report is generated as needed.	As Needed
Direct Loan Transaction Summary Report	This report contains monthly transaction activity. This report is presented by beginning balances, current month activity, and ending balances.	This report is generated monthly.	Monthly
Direct Loan Trial Balance Report	This report contains account activity by debits and credits against an opening balance. It presents the closing balance and net changes.	This report is generated monthly.	Monthly

Report Name	Description	Prerequisites	Time
SF 224 Statement of Transaction Report	This report displays summary agency disbursements and collections grouped by appropriation fund or receipt symbol. This report also contains a control section that displays details relating to the summary totals for disbursements and collections as well as status of collections.	This report is generated as needed.	As Needed
Direct Loan Non-Federal Collection by Type and Cohort Year report	This report contains object code activity by cohort year for Origination and fees, Interest collected, Other Fees, and Principal repayment of loans.	This report is generated as needed.	As Needed
Direct Loan Aging of Unapplied Payments report	This report contains unapplied payments by resolution date and code. It also displays the age of each unapplied payment.	This report is generated monthly.	Monthly
Direct Loan Overpayment Unapplied Refunds Report by Approval Date	This report contains misdirected and overpayment refund payments by approval date and code. It also displays the age of each unapplied payment.	This report is generated monthly.	Monthly
Direct Loan Obligation/ Disbursement Report	This report contains current and life to date loan disbursement totals by the CRC code (without risk).	This report is generated monthly.	Monthly
Gross Loan Disbursement By Actual Disbursement Month Report	This report contains non-consolidated loan disbursements by month and fiscal year.	This report is generated monthly.	Monthly
Loan Origination DLSAS and XE Records to Oracle GL Concurrent Program	DLSAS and XE GL Loan concurrent program is needed to capture unbooked loan data from Loan Origination output file into Oracle GL on a monthly basis.	Will be run automatically (time TBD by LO representatives)	TBD
Loan Origination Financial Event from Oracle General Ledger Concurrent Program	Financial Event from Oracle General Ledger Concurrent Program is needed to provide GAPS data from Oracle GL to Loan Origination.	Can be run manually or, at a predetermined time daily to create an output file from the Oracle application.	Daily/As Needed
Loan Origination Funding Requests and Excess Cash (Oracle AP and GL) Concurrent Program	Funding Requests and Excess Cash (Oracle AP and GL) Concurrent Program is needed to: <ul style="list-style-type: none"> <li>Capture Funding Requests data from Loan Origination daily output file into Oracle AP</li> <li>Capture Excess cash records from Loan Origination daily output file into Oracle GL.</li> </ul>	Can be run manually or automatically (at a predetermined time) to import an input file received from LO.	As Needed

## LO, LC, and LS Feeder System Personnel Contact Information

The following table lists the names and phone numbers for each program in case anyone needs to contact them to resolve a FTP file or any other error:

LO, LC, & LS Feeder System Personnel Contact Information		
<b>LO:</b> Lynn Price Phone: 334-206-6608	<b>LC:</b> Gayle Sherman Email: gayle.sherman@eds.com	<b>LS:</b> Tracy Corran Email: tcorran@afsa.com

## Direct Loan User Processes and Responsibilities Table

<b>KEY:</b> <b>X - Cross Program</b> <b>A - Automated</b> <b>M - Manual</b>					
				<b>General Ledger</b>	<b>Responsibility</b>
1		A	Monitor IF-10/20/G Files into FMS (LS)		SFA DLSS Servicing Manager
2		A	Monitor LO Monthly File		SFA DLOR Manager
3		A	Monitor LC Monthly File		SFA DLCO Manager
4	X	A	Create journals		N/A
5	X	A	Post journals		N/A
6	X	M	Correct/Update transaction journals		SFA CFO General Ledger SuperUser
7	X	M	Create, view, and print trial balance		SFA CFO General Ledger SuperUser
8	X	M	Create, view Requests		All
9	X	M	Inquiries (Query)		All

## Direct Loan Servicing Calendar of Events

The Direct Loan Servicing calendar of events displays what and when each event will be accomplished:

<b>Event</b>	<b>LS sends FMS &amp; FARS the IF-10 file.</b> (booked loans accounting events data). This file represents LS system's previous days	<b>FMS sends LS 1166 confirmation reports.</b> Reports provide LS & FARS the data required to perform reconciliation and & verification for refund requests that came through	<b>LS sends FMS IF-20 file.</b> (misdirected/Unapplied payments & refunds). A new copy of the file will overlay the previous copy in the holding area upon receipt.	<b>LS sends FMS G file.</b> (additional LO & LC accounting events not contained in the IF-10/20 file).	<b>FMS sends LS Interface Control Report.</b> The report reflects the processing results of an interface.
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	processing	the IF-10/20 feed.			
<b>Time Of Event</b>	<b>Daily</b>	<b>Daily</b>	<b>Daily</b>	<b>Daily</b>	<b>Daily</b>

## Direct Loan Consolidation Calendar of Events

The Direct Loan Consolidation calendar of events displays what and when each event will be accomplished:

<b>Event</b>	<b>LC sends FMS the Unbooked Loan File.</b>	<b>FMS Generated Interface Control Reports to &amp; from LC.</b> Reports show records read, records written, records in error, date & user.
<b>Time Of Event</b>	<b>Monthly</b>	<b>Daily</b>

## Direct Loan Origination Calendar of Events

The Direct Loan Origination calendar of events displays what and when each event will be accomplished:

<b>Event</b>	<b>LO sends FMS the Unbooked Loan File.</b>
<b>Time Of Event</b>	<b>Monthly</b>

## Error Handling

The following matrix shows the file type received from Direct Loan Origination, Direct Loan Consolidation, and Direct Loan Servicing; the frequency of occurrence; the different types of possible errors; and the different types of notification that are automatically sent or received if applicable.

File Type	Frequency	Error Type	Automated Outcome
DLOR	Monthly	Level 1-Physical data error	Email Error Report
		Level 2-Logical data error	Email Journal Import
DLCO	Monthly	Level 1-Physical data error	Email Error Report
		Level 2-Logical data error	N/A
DLSS IF010	Daily	Level 1a-Trailer Record not found	Email
		Level 1b-Physical data error	Email
		Level 1c-Trailer Sum not equal to Individual Record amount	Email Error Report
		Level 2-Logical data error	Email Journal Import
IF020	Daily	Level 1a-Trailer Record not found	Email
		Level 1b-Physical data error	Email
		Level 1c-Trailer Sum not equal to Individual Record amount	Email Error Report
		Level 2-Logical data error	Email Journal Import
GREC	Daily	Level 1-Physical data error	Email
		Level 2-Logical data error	Email
<b>Note:</b> All Level 1 errors will be stopped before processing into FMS. All Level 2 errors will be processed into FMS suspense account			

## Manual Processes

The following matrix details the manual DLS functional tasks that must be performed in SFA's Oracle FMS. Each task is tied to an Oracle procedure and identifies the person(s) responsible.

Task	Description	Oracle Procedure	Frequency	Person(s) Responsible
Manual Journal Vouchers	This could be any type of manual transaction (TC) needed to book miscellaneous adjustments via the G/L Transaction Input.	Entering a Manual Journal		SFA CFO Accounting Division (AD)
Excess Cash	Manually book excess cash deposited via the G/L Transaction Input.	Entering a Manual Journal		SFA CFO AD
Manual DCS	DCS refunds are received by ACS Rockville, logged and batch is sent to DCS Texas. Every 2 weeks the DCS log is	Entering a Manual Journal	Bi-weekly	SFA CFO AD



	tallied and a TC 49 01 U8 – DCS REFUND Journal Voucher is processed via the G/L Transaction Input.			
Reissues	The Log of Treasury Cancelled or Undelivered Checks (per SF1098) is received by ACS Rockville monthly. ACS Rockville processes the necessary reversal entries for the corresponding SF1166 stage entries (Draft TC 61s, Final TC 63s and DOT Confirmation TC 65s) via the Reissue Checks Entry Screen (FA08). The FA08 screen automatically processes the reversal entries for the original refund entries by SF1166 stage.	Voiding an Invoice	Monthly	ACS
SF5515 Corrections	Manual correcting entries are prepared by ACS via the SF5515 Debit Voucher request from the Department of Education for normal NSF transactions, transposition or encoding errors, duplicate posting errors, deposit corrections or offset deposits, foreign returned checks and deposit reversal corrections. Normal NSF transactions - The NSF Payment Correction Form is received by ACS and the NSF Payment Calculation Worksheet Excel spreadsheet is prepared to isolate each NSF check Total Payment (Principle Amount plus Interest Amount) by original SF215 number. Separate TC 41 42 L1 entries are made for each original SF215 number subtotal Debits 1357 and Credits 1010. Corrections for Encoding Errors, Duplicate Posting Errors, Offset Deposit Error, Foreign Returned Checks and Non-Direct Errors use transaction code TC 41 42 L1 Debits 1357 and Credits 1010. Corrections for Deposit Reversal Errors use transaction code TC 45 00 I1 Debits 1010	Entering a Manual Journal		SFA CFO AD

	and Credits 1357 for overcharges. Corrections for Non-Direct Errors use transaction code TC 45 00 I1 Debits 1357 and Credits 1010 for undercharges. Note: <i>The NSF accounting events may not be a complete list of correction events.</i>			
Summary Deposits	Manual entries are prepared by ACS via the SF215 Deposit Ticket request from the Department of Education to record summary deposit transactions using transaction code TC 41 41 R1 Debits 1010 and Credits 1357.	Entering a Manual Journal		SFA CFO AD
Manual Refunds	ACS Rockville processes refund requests from Direct Loan partners. ACS uses these requests to manually establish payee information via the Vendor Maintenance Screen (FU04) and process the refund invoices via the Direct Invoice Entry Screen (FA06). The refunding information is converted into an SF1166 file that is passed to the Department of Treasury. The Department of Treasury then mails a check to the payee based on the information in the SF1166 provided by ACS refunding input. There are four types of refund request batches that are received by ACS Rockville; 1. Overpayment Refunds (RO), 2. Unapplied Payment Refunds (UN), 3. EDS Refunds (LC) and DCS Refunds. Refund types RO, UN and LC are processed by ACS via the Vendor Maintenance Screen (FU04) and the Direct Invoice Entry Screen (FA06).	Creating a Vendor		ACS
		Creating an Invoice		ACS
		Approving an Invoice		ACS
		Paying an Invoice		SFA CFO AD
		Posting a Journal Entry		SFA CFO AD
		Treasury Confirmation		SFA CFO AD

## Definitions Table

The following are common accounting definition terms:

Accounting Term	Accounting Definition
Account Code Classification Structure (ACCS)	The accounting segments and values assigned to transactions within the Oracle Federal Financials system (SFA Chart of Account).
Accounting Event	The detailed financial transactions (debts and credits) that occur as a result of business events.
Accounts Payable (AP)	The Oracle Financials Account Payable module. This is where invoices and payment batches are created.
Application Program Interface (API)	API is used to import data into Oracle Financials (FMS) from another software package.
Booked Loan	An approved loan where 3 things must happen. 1) accepted loan origination record, 2) accepted P-Note, and 3) accepted disbursement record.
Financial Accounting and Reconciliation Services (FARS)	An Affiliated Computer Systems (ACS) system utilized by the LS group to assist in the accounting and reporting functionality associated with loan servicing.
Financial Management System Software (FMSS)	Department of Education's financial processing system.
General Ledger (GL)	Oracle Financials General module.
Transaction Code	Identifies the types of accounting events that occur within the Raytheon interface files. Transaction in Oracle identifies the debts and credits that will be applied to the transaction when a particular transaction code is used.
Unbooked Loan	A disbursement to a school that does not have documents that is required to classify the disbursement as a loan.
XE Record	A standard error record generated by LS. The record is used by LO and LC to identify discrepant transactions identified by LS

## Activity Preface

[Create Journals \[PROA0002\]](#)

[Post Journals \[PROA0010\]](#)

[Treasury Confirmation \[PROA0013\]](#)

[View and Print Trial Balance \[PROA0014\]](#)

[View Requests\[PROX0007\]](#)

[Inquiries \(Query\) \[PROA0011\]](#)

[System Access/Sign-on \[PROX0003\]](#)

[Review a Journal Entry in GL \[PROA0016\]](#)

## General Ledger (GL)

1. Monitor IF-10/20/G Files Processing into FMS.
2. Monitor Unbooked Loan File Processing into FMS.
3. **Create Journals.** Click the “Create Journals” Link in the Activity Preface section.
4. **Post Journals.** Click the “Post Transaction Journals” in the Activity Preface section.
5. **Treasury Confirmation.** Click the “Treasury Confirmation” Link in the Activity Preface section.
6. **View and Print Trial Balance.** Click the “View and Print Trial Balance” Link in the Activity Preface section.
7. **View Requests.** Click the “View Requests” Link in the Activity Preface section.

8. **Inquiries (Query).** Click the “Inquiries” Link in the Activity Preface section.

**End of activity.**

